

SCOMI GROUP BHD
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	<u>Quarter</u> 3 months ended 31 December 2020 RM '000	<u>Quarter</u> 3 months ended 31 December 2019 RM '000	<u>Cumulative Period</u> 6 months ended 31 December 2020 RM '000	<u>Cumulative Period</u> 6 months ended 31 December 2019 RM '000
<u>Continuing Operations</u>				
Revenue	-	124,135	-	232,022
Cost of revenue	-	(91,443)	-	(174,999)
Gross (loss)/profit	-	32,692	-	57,023
Other (expenses)/income, net	(393)	(4,771)	(783)	(2,024)
Operating expenses	(998)	(23,376)	(2,017)	(44,906)
Finance costs	(4,137)	(5,579)	(8,156)	(9,144)
Share of results of associates / jointly controlled entities	-	107	-	107
Profit before taxation	(5,528)	(927)	(10,956)	1,056
Taxation	-	(974)	-	(4,013)
Profit/(Loss) for the period from continuing operations	(5,528)	(1,901)	(10,956)	(2,957)
Other comprehensive income/(expense)				
Currency translation differences	-	26,945	-	8,920
Other comprehensive income/(expense), net of tax	-	26,945	-	8,920
Total comprehensive Income/(expense) for the period	(5,528)	25,044	(10,956)	5,963
Loss attributable to:				
Owners of the Company	(5,528)	(4,309)	(10,956)	(5,973)
Non-controlling interests	-	2,408	-	3,016
	(5,528)	(1,901)	(10,956)	(2,957)
Total comprehensive Income/(expense) attributable to:				
Owners of the Company	(5,528)	13,737	(10,956)	354
Non-controlling interests	-	11,307	-	5,609
	(5,528)	25,044	(10,956)	5,963
Earnings/(loss) per share	sen	sen	sen	sen
Basic earnings/(loss) per share	(0.51)	(0.39)	(1.00)	(0.55)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Report for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

SCOMI GROUP BHD
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	As at 31 December 2020 RM'000	As at 30 June 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	301	357
	301	357
Current assets		
Short-term deposits, cash and bank balances	112	77
	112	77
Total assets	413	434
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	224,964	224,964
Other reserves	(7,437)	(7,437)
Accumulated Losses	(469,020)	(458,064)
	(251,493)	(240,537)
Non-current liabilities		
Loans and borrowings	255	255
	255	255
Current liabilities		
Trade and other payables	246,803	235,868
Loans and borrowings	133	133
Current tax liabilities	4,715	4,715
	251,651	240,716
Total liabilities	251,906	240,971
Total equity and liabilities	413	434
Net asset per share attributable to equity holders of the parent (RM)	(0.23)	(0.22)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

SCOMI GROUP BHD
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 July 2020	224,964	-	(7,437)	(458,064)	(240,537)	-	(240,537)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-
Loss for the period	-	-	-	(10,956)	(10,956)	-	(10,956)
Total comprehensive income for the year	-	-	-	(10,956)	(10,956)	-	(10,956)
At 31 December 2020	224,964	-	(7,437)	(469,020)	(251,493)	-	(251,493)
At 1 July 2019	224,964	-	(71,984)	(176,708)	(23,728)	317,557	293,829
Foreign currency translation differences for foreign operations	-	-	(8,953)	-	(8,953)	6,475	(2,478)
Reclassification of Translation Reserve to Accumulated Losses	-	-	39,217	(39,217)	-	-	-
Deconsolidation of subsidiaries	-	-	34,283	-	34,283	(327,048)	(292,765)
Loss for the period	-	-	-	(242,139)	(242,139)	3,016	(239,123)
Total comprehensive income for the year	-	-	64,547	(281,356)	(216,809)	(317,557)	(534,366)
At 30 June 2020	224,964	-	(7,437)	(458,064)	(240,537)	-	(240,537)

SCOMI GROUP BHD
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Year Ended 31 December 2020 RM'000 Unaudited	Year Ended 31 December 2019 RM'000 Unaudited
Cash flows from operating activities		
Profit before taxation continuing operations	(10,956)	1,056
Adjustments for non-cash items	8,995	34,057
Operating (loss)/profit before working capital changes	(1,961)	35,113
Changes in working capital:		
Inventories	-	(3,181)
Trade and other receivables	(7)	(44,469)
Trade and other payables	2,014	6,681
Cash from operations	46	(5,856)
Tax and Retirement Benefits Paid	-	(14,386)
Net cash from operating activities	46	(20,242)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(1,148)
Interest received	-	461
Net cash used in investing activities	-	(687)
Cash flows from financing activities		
Repayment of borrowings	-	(16,177)
Proceeds from advances	-	42,000
Interest paid on borrowings	(11)	(6,726)
Increase in cash and short term deposit pledged as security	-	(922)
Net cash used in financing activities	(11)	18,175
Net increase in cash and cash equivalents	35	(2,754)
Cash and cash equivalents at beginning of period	77	39,254
Currency translation differences	-	(216)
Cash and cash equivalents at end of period	112	36,284
<u>Cash and cash equivalents comprise:</u>		
Short-term deposits with licensed banks	-	25,882
Cash and bank balances	112	38,404
	112	64,286
Less : Short-term deposits pledged as securities	-	(28,002)
	112	36,284

PART A: EXPLANATORY NOTES AS PER FRS 134

A1. Basis of preparation of interim financial reports

The interim financial statements are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2020 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries, and the Group's interest in associates and joint ventures as at for the period ended 30 September 2020.

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the consolidated financial statements for year ended 30 June 2020.

The following are amendments to the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB"):

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

A1. Basis of preparation of interim financial reports (“continued”)

- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 July 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020 and 1 June 2020.
- from the annual period beginning on 1 July 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021, except for amendments to MFRS 4, *Insurance Contracts* which is not applicable to the Group and the Company.
- from the annual period beginning on 1 July 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 141 which is not applicable to the Group and the Company.
- from the annual period beginning on 1 July 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023, except for amendments to MFRS 17 which is not applicable to the Group and the Company.

The initial application of the abovementioned amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

A2. Qualification of financial statements

The preceding year annual financial statements were subject to the following qualification which was mentioned as follows in the Independent Auditors' Report for the financial year ended 30 June 2020 (to be read in conjunction with the audited financial statement for the year ended 30 June 2020) :

Extracted from the Independent Auditors Report to the members of Scomi Group Bhd:

We do not express an opinion on the accompanying financial statements of the Group and the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

In seeking to form an opinion on the financial statements, we have considered the following matters:

1. The events and conditions as disclosed in Note 1(b) to the financial statements indicate existence of material uncertainties which may cast significant doubt on the ability of the Group and the Company to continue as going concerns. The financial statements have been prepared on the historical cost basis and on the assumption that the Group and the Company are going concerns. However, the going concern assumption is highly dependent on the successful formulation, approval and implementation of the regularisation plan, and the ability of the Group and the Company to achieve sustainable and viable operations so as to generate sufficient cash flows to enable them to meet their obligations as and when they fall due.

In the event that the regularisation plan is not successfully formulated, approved and implemented, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and to the classification and additional amounts of liabilities should the Group and Company be unable to continue as going concerns.

2. As disclosed in Note 21.1 to the financial statements, the consolidated financial information of Scomi Energy Services Bhd and its subsidiaries ("SESB Group") for the financial period ended 26 February 2020, being the date that the Company lost its control in SESB Group, was not made available for the Group to account for the effect of the deconsolidation of SESB Group on the said date. The Group accounted for the effects of deconsolidation using the closest available financial information of SESB Group for the financial period ended 31 December 2019. We are unable to determine if there were any material differences between the financial information of the two different dates.

On 30 October 2020, the auditor of SESB Group issued a disclaimer opinion due to material uncertainty on going concern on the financial statements of SESB Group for the financial year ended 30 June 2020. The auditor of SESB Group had not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of SESB Group for the financial year ended 30 June 2020.

In view of the above, we were unable to obtain sufficient appropriate audit evidence to determine the appropriateness of amount and the effect of misstatements, if any, for the following:

- i. the loss of deconsolidation of RM91.459 million and share of losses of equity accounted associate of RM8.410 million as disclosed in the statement of profit or loss and other comprehensive income of the Group;
 - ii. the financial information of the Group's material associate as disclosed in Note 7 to the financial statements; and
 - iii. the financial information and the effects of deconsolidation of SESB Group as disclosed in Note 21.1 to the financial statements.
3. We are unable to obtain sufficient appropriate audit evidence to determine the appropriateness of the outstanding liabilities amounting to RM5.4 million of the Group as disclosed in Note 16.4(vii) to the financial statements. These liabilities are mainly related to past related parties' transactions that are pending substantiation, reconciliation and reclassification to appropriate accounts.

A3. Seasonal and cyclical factors

The Group's results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual items

There are no unusual items that affected the assets, liabilities, equity, net income or cash flows in the current period under review other than as disclosed in these unaudited condensed consolidated interim financial statements.

A5. Material changes in estimates

There were no material changes in estimates other than as disclosed in these unaudited condensed consolidated interim financial statements that have a material effect on the results for the current period under review.

A6. Debt and equity securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back or repayment of debt and equity securities during the current period.

A7. Dividends paid

No dividends were paid during the current period.

A8. Valuation of property, plant and equipment

There is no revaluation of property, plant and equipment, as the Group does not adopt a revaluation policy on property, plant and equipment.

A9. Subsequent Events

There were no material events subsequent to the end of the period under review.

A10. Changes in composition of the Group

There were no material changes in the composition of the Group during the period under review.

A11. Contingent liabilities

There were no contingent liabilities of the Group at the end of the period.

A12. Capital and operating lease commitments

There were no capital and operating lease commitments as at the end of the period.

A14. Related Party Transactions

There were no significant related party transactions during the period under review.

PART B : EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES

B1. Review of performance

Current Period – 3 months ended 31 December 2020 ("2QFY2021") vs 31 December 2019 ("2QFY2020")

In the previous financial year ended 30 June 2020, Scomi Energy Services Bhd ("SESB"), a former subsidiary of the Company was reclassified as an Associate Company in the consolidated financial statements of the Company on 26 February, 2020.

Consequentially, the review of performance of the segments of Oilfield Services and Marine Services (which are contained within SESB) for the current quarter are shown below for analysis purposes only and has not been consolidated in the results of the Group (though for the corresponding quarter SESB was consolidated as it was still part of the Group). For the current quarter reported results, SESB has been shown on an equity accounting basis (whereby only a single line showing the results from the associate is accounted for).

Details of the key factors driving the performance of each segment for the current quarter ("2QFY2021") vs the corresponding quarter ("2QFY2020") are provided in the respective sections below:

	Revenue		Variance		Profit/(Loss) Before Tax		Variance	
	3 months to				3 months to			
	31 Dec 2020	31 Dec 2019	RM'000	%	31 Dec 2020	31 Dec 2019	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Operating segments:								
Oilfield Services	62,760	94,176	(31,416)	-33%	(18,757)	(3,662)	(15,095)	-412%
Marine Services	17,889	29,959	(12,070)	-40%	(1,280)	6,485	(7,765)	-120%
Corporate	-	-	-	-	(5,528)	(3,750)	(1,778)	-47%
	80,649	124,135			(25,565)	(927)		

Note : SESB was deconsolidated from the Group on 26 February 2020 and reclassified as an Associate Company. The results for the current quarter/period is accounted only on a Share of Results from Associate Company basis while for the corresponding period/quarter, SESB was still part of the Group and its performance reflected accordingly.

Oilfield Services

The segment's revenue for the current quarter decreased by RM31.4 million or 33% as compared to 2QFY2020, mainly due to lower revenue in Nigeria, Indonesia, India, Pakistan and Saudi Arabia.

The segment recorded higher Loss Before Tax ("LBT") of RM18.8 million due to lower gross profit of RM8.1 million as a flow through of lower revenue coupled with higher forex loss of RM13.1 million. This was partially offset by lower operating expenses and finance cost totaling RM6.2 million as compared to 2QFY2020.

Marine Services

The segment's revenue for the current quarter decreased by RM12.1 million or 40% as compared to 2QFY2020 resulting from lower shipments and tonnage carried.

The LBT was RM1.3 million as compared to a PBT of RM6.5 million for 2QFY2020. This was mainly due to lower gross profit as a flow through of lower revenue and higher operating expenses, partially offset by forex gain of RM1.7 million (2QFY2020 was a forex loss of RM1.4 million) and lower finance cost by RM0.6 million following full settlement of a term loan.

Corporate

The LBT for the current quarter of **RM5.5 million** consists of:

1. Financing Cost of RM4.1 million arising from interest accrued for:
 - a) Advances received for working capital – RM0.9 million
 - b) Provision for redemption of pledged securities – RM3.0 million
 - c) Amount owing to a vendor – RM0.2 million
2. Unrealized forex losses – RM0.4 million
3. Operating expenses – RM1.0 million

Details of the key factors driving the performance of each segment for the current 6 month's period ("YTD FY2021") vs the corresponding period ("YTD FY2020") are provided in the respective sections below:

	Revenue		Variance		Profit/(Loss) Before Tax		Variance	
	6 months to				6 months to			
	31 Dec 2020	31 Dec 2019			31 Dec 2020	31 Dec 2019		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Operating segments:								
Oilfield Services	121,772	175,637	(53,865)	-31%	(29,438)	(126)	(29,312)	-23263%
Marine Services	35,045	56,385	(21,340)	-38%	(5,324)	9,178	(14,502)	-158%
Corporate	-	-	-	-	(10,956)	(7,996)	(2,960)	-37%
	156,817	232,022			(45,718)	1,056		

Oilfield Services

The segment's revenue for YTD FY2021 decreased by RM53.9 million or 31% as compared to YTD FY2020. This was mainly due to lower activity in countries such as Nigeria, Indonesia, India, Pakistan and Saudi Arabia during the period.

The LBT was RM29.4 million in YTD FY2021 mainly due to lower gross profit and higher forex loss totaling RM37.2 million. This was partially offset by lower operating expenses and finance cost totaling to RM7.9 million during the period.

Marine Services

The segment's revenue for YTD FY2021 decreased by RM21.3 million or 38% as compared to YTD FY2020 resulting from lower shipments and tonnage carried.

The segment registered a LBT of RM5.3 million mainly due to lower gross profit by RM16.4 million as a flow through of lower revenue. This was partially offset by lower operating expenses (by RM0.5 million) and lower finance cost by RM1.1 million following full settlement of a term loan.

Corporate

The YTD 2021 LBT for the current quarter of **RM11.0 million** consists of:

1. Financing Cost of RM8.2 million arising from interest accrued for:
 - a) Advances received for working capital – RM1.8 million
 - b) Provision for redemption of pledged securities – RM6.0 million
 - c) Amount owing to a vendor – RM0.4 million
2. Unrealized forex losses – RM0.8 million
3. Operating expenses – RM2.0 million

B2. Material Change in Performance as Compared to Preceding 3 months Period

The Group recorded a LBT of RM5.5 million for the current quarter compared to RM5.4 million in the preceding quarter (variance of RM0.1 million) which was mainly due to marginally higher Financing Cost as a result of advances received for working capital purposes.

B3. Current Financial Period Prospects

The Covid-19 pandemic and Movement Control Order ("MCO") continues to impact the Group's prospects. Assessment will be carried out by the Group as required on any material development as a result of Covid-19 pandemic or MCO to assess its effect on the segments and revise the prospects of the segments accordingly in the future.

Oilfield Services Outlook

With the higher oil prices, there is a general level of optimism on increase in activity. However, companies are also cautious on capital spending. Cash flow and costs will continue to be the focus areas in the short term.

Marine Services Outlook

Indonesian thermal prices are on the rise and with the recovery of the world economy, coal demand is estimated to increase during the year.

B4. Profit Forecast

The Group has not announced or disclosed any revenue or profit estimate, forecast, projection or internal targets for the Group for the period under review.

B5. Taxation

	Current 3 months ended 31-Dec-20	Cumulative Period 6 months ended 31-Dec-20
Continuing operations		
Current tax:		
Malaysian income tax	-	-
Foreign tax	-	-
Total income tax	<u>-</u>	<u>-</u>

There is no tax expense for the current period while the current quarter losses do not meet the criteria for deferred tax income.

B6. Status of corporate proposals announced by the Company

- (a) There are no corporate proposals that have been announced but not completed.
- (b) Practice Note 17

On 30 August 2019, the Company triggered Paragraph 2.1(a) and 2.1(e) of PN17 of the Listing Requirements of Bursa. Pursuant to this, on 3 September 2019 the Company submitted an application for a waiver ("Waiver Application") from being classified as an affected listed issuer to Bursa Securities.

Bursa Securities had, vide its letter dated 2 December 2019, decided to reject SGB's application for a waiver from being classified as an affected listed issuer pursuant to Paragraph 8.04(2) and PN17 of the Listing Requirements as there are concerns on the sustainability and growth potential of the existing/remaining business and the ability of SGB to generate sufficient revenue and thus profitability. Pursuant to this and as well as Paragraph 8.04 and Practice Note 17 of the Listing Requirements, the Company is now regarded as an affected listed issuer ("**PN17 Company**") as it has triggered Paragraphs 2.1(a) and 2.1(e) of PN17 of the Listing Requirements.

On 21 January 2020, the Company has defaulted in repaying in full by one bullet repayment of RM21.00 million each to TSWA and GGSB, respectively, pursuant to the TSWA Loan Agreement and GGSB Loan Agreement. The total amount defaulted is RM42.00 million together with interest, which was due on 18 January 2020. After further reasonable inquiry into the affairs of the Company by the Board, the Board is of the opinion that the Company is not solvent and unable to provide to Bursa Securities a solvency declaration as required under Paragraph 9.19A(4) of the Listing Requirements. Pursuant to this, the Company has further triggered the prescribed criteria under Paragraph 2.1(f) of PN17 of the Listing Requirements on 20 January 2020.

The Company is in the midst of finalising a plan to regularise its financial condition ("**Proposed Regularisation Plan**") and the announcement on the same will be made in due course in accordance to the Listing Requirements. Pursuant to the circular issued by Bursa Malaysia Berhad on 26 March 2020 in relation to the extension of time for submission of regularisation plans by listed issuers which triggered the criteria under Paragraph 8.03A or Paragraph 8.04 (PN17), the Company has approximately six (6) months to submit its regularisation plan to the relevant authorities for approval.

B7. Group borrowings and debt securities

The Group borrowings and debt securities as at the end of the reporting period are as follows:

	As at 31 December 2020 RM'000
Current	133
Non Current	255
Total	<u>388</u>

The Group borrowings and debt securities are denominated in the following currencies:

	As at 31 December 2020 RM'000
Denominated in:	
Ringgit Malaysia	388
US Dollar	-
Total	<u>388</u>

B8. Changes in material litigation

1. HIGH COURT OF SHAH ALAM WRIT OF SUMMONS NO. BA-22NCC-90-06/2020 FILED BY SCOMI ENERGY SERVICES BHD ("PLAINTIFF")

On 22 June 2020, the Company was served with a Writ of Summons dated 18 June 2020 by the Plaintiff through their solicitors ("Suit"). In this Suit, the Plaintiff is claiming the following from SGB:

- (a) the sum of RM54,525,036.49 (as at 31.3.2020) ("Settlement Sum") being the outstanding sum due and owing by the Company to the Plaintiff.
- (b) interest at the rate of 5% per annum on the final judgement sum from the date of filing of the Suit herein until the date of full and final settlement.
- (c) costs; and
- (d) such further or other relief and/or orders as deemed fit and proper by the Honourable Court.

The High Court of Shah Alam on 26 November 2020 allowed the Plaintiff's application for summary judgement ("Summary Judgement") against the Company for:

- (i) Settlement Sum
- (ii) interest at the rate of 5% per annum from the date of filing of the Suit until the date of full and final settlement.
- (iii) cost of RM5,000.00 to the Plaintiff.

The Notice of Appeal ("Appeal") has been filed to appeal to the Court of Appeal against the decision of the High Court of Shah Alam which allowed the application by the Plaintiff for Summary Judgement against SGB. The Company will make further announcement on any material development in the Appeal in due course.

2. HIGH COURT OF KUALA LUMPUR WRIT OF SUMMONS NO. WA-22NCC-545-11/2020 FILED BY MALAYAN BANKING BERHAD (PLAINTIFF OR MBB) AGAINST SCOMI GROUP BHD (SGB OR COMPANY)

The Company has on 10 November 2020 been served with a Writ of Summons dated 6 November 2020 by the Plaintiff through their solicitors ("MBB Suit"). In this MBB Suit, the Plaintiff is claiming the following from SGB:

- (a) the sum of RM113,957,000.00 ("Claimed Sum") together with interest accruing thereon at the rate of 3.5% per annum above MBB's Base Lending Rate on a monthly rest and compounded monthly until full settlement (estimated total interest accruing as at 10 November 2020 is approximately RM22,771,000.00) ("Interest Accrued").
- (b) costs; and
- (c) such further or other relief and/or orders as deemed fit and proper by the Honourable Court.

The Company will make further announcement on any material development in the MBB Suit in due course.

B9. Proposed Dividend

No dividend has been declared for the current period under review.

B10. Earnings per share

The computation for earnings per share is as shown below.

		3 months Period Ended 31 December 2020	6 months Period Ended 31 December 2020
Basic earnings/(loss) per share			
Net losses attributable to shareholders	(RM'000)	<u>(5,528)</u>	<u>(10,956)</u>
<u>Weighted average number of shares</u>	('000)		
Issued shares at opening		<u>1,093,907</u>	<u>1,093,907</u>
Weighted average number of shares	('000)	<u>1,093,907</u>	<u>1,093,907</u>
Basic earnings/(loss) per share	(sen)	<u>(0.51)</u>	<u>(1.00)</u>

Diluted earnings per ordinary share are not presented as the Group's warrants exercise price is more than the average share price for the period.

B11. Loss Before Taxation for the period

Loss for the period is stated after crediting / (charging):

	3 months ended 31-Dec-20 RM'000	Cumulative Period 6 months ended 31-Dec-20 RM'000
Interest expense	(4,137)	(8,156)
Foreign exchange gain/(loss), net	(393)	(783)
Depreciation and amortisation	<u>(28)</u>	<u>(56)</u>

B12. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors on 26 February 2021.